



**PACIFICORP**  
LEGAL DEPARTMENT

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March 29, 2004

**Via Federal Express**

Matthew D. Cohn  
U.S. Environmental Protection Agency  
Region VIII, 8ENF-L  
999 18th Street, Suite 300  
Denver, CO 80202-2466

Re: Vermiculite Intermountain Site, Salt Lake City, Utah

Dear Matt:

This follows up the voice message I left for you last Friday afternoon.

As you know, PacifiCorp has devoted a substantial amount of time and resources over the last two weeks investigating the property ownership and operational history of the Vermiculite Intermountain Site located on the block bounded by First and Second South and Third and Fourth West in Salt Lake City (the "Site"). Based on this investigation, PacifiCorp has prepared a detailed and comprehensive Site History. Two copies are enclosed for your review and consideration. We remain willing, of course, to incorporate any added information that EPA has not already provided to us or any other information that becomes available.

I have also enclosed a revised version of the Administrative Order on Consent ("AOC"), including a clean copy and a redline against the draft you

provided to us dated March 10, 2004. I have also sent you an electronic copy of this cover letter and the AOC via email (clean WordPerfect format and also a redlined version in a PDF format). Unfortunately, because of the problems we had using the electronic AOC file that you sent to me by e-mail, we were not able to produce an electronic redline file in WordPerfect format.

As you will see from our revisions to the AOC, PacifiCorp is committed to assume responsibility for and to perform an appropriate and timely removal action with respect to the substation property it currently owns within the Site. PacifiCorp is willing to complete negotiations regarding the AOC in order to complete that work as soon as possible. We anticipate that this work would be performed under two separate Work Plans, with one addressing the interior cleanup of the control house building and the other addressing any required exterior soil excavation and disposal. As I am sure you can appreciate from the dangers associated with an energized, high-voltage substation, a number of important access and physical safety considerations will need to be taken into account with respect to any work in and around the substation itself. In any event, the company is committed to moving forward on this project as quickly as possible.

While PacifiCorp is willing to assume responsibility for its own property, the company is not in a position to accept EPA's request to assume investigation and response action responsibilities for areas outside of the substation. PacifiCorp takes this position for a number of reasons based on the information now available to us. As I mentioned to you in my voice message, we remain willing to consider any additional information that EPA may have in regards to PacifiCorp's connection to those areas outside of our substation.

For instance, as you will see in the Site History, we are not aware of any evidence showing that any of the contamination that may be present outside of PacifiCorp's substation property is fairly attributable to PacifiCorp's past or current ownership of a portion of the Site. The enclosed report clearly shows that the exfoliation facility that caused the contamination was not constructed until after PacifiCorp sold the property in 1954 and that the facility was closed in 1984, the same year that the company re-acquired the property. Based on the unique facts and circumstances relating to this Site, we believe that PacifiCorp has a sound basis to obtain apportionment of any joint and several liability claims EPA may assert. In addition, PacifiCorp is concerned that any response costs it may incur with respect to work on other properties, even under an AOC, may not be recoverable from other PRPs based on the position EPA has recently taken before the U.S. Supreme Court in the appeal involving Aviall Services, Inc. v. Cooper Industries, Inc., 312 F.3d 677 (5th Cir. 2002).

We would appreciate having an opportunity to discuss these issues with you more fully, preferably in a meeting. It may also make sense to have the

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technical people meet at the same time in order to facilitate negotiations of the AOC and the removal action project. Please feel free to contact me to follow up.

Very truly yours,

A handwritten signature in black ink, appearing to read 'MJ' or 'M. Jenkins', written in a cursive style.

Michael G. Jenkins

cc: Dave Wilson  
Jeff Tucker